

INFORMATION TO BE PROVIDED IN SALES BROCHURE

LIC's NEW ENDOWMENT PLAN (UIN: 512N277V01)

LIC's New Endowment Plan is a participating non-linked plan which offers an attractive combination of protection and saving features. This combination provides financial support for the family of the deceased policyholder any time before maturity and good lump sum amount at the time of maturity for the surviving policyholders. This plan also takes care of liquidity needs through its loan facility.

1. **Benefits:**

Death benefit:

In case of death during the policy term provided all due premiums have been paid Death benefit, defined as sum of "**Sum Assured on Death**" and vested Simple Reversionary Bonuses and Final Additional bonus, if any, shall be payable. Where, "**Sum Assured on Death**" is defined as higher of Basic Sum Assured or 10 times of annualised premium. This death benefit shall not be less than 105% of all the premiums paid as on date of death.

Where premiums exclude service tax, extra premium and rider premiums, if any.

Maturity Benefit: Basic Sum Assured, along with vested simple reversionary bonuses and Final Additional bonus, if any, shall be payable in lump sum on Survival to the end of the policy term provided all due premiums have been paid.

Participation in Profits: The policy shall participate in profits of the Corporation and shall be entitled to receive Simple Reversionary Bonuses declared as per the experience of the Corporation, provided the policy is in full force.

Final (Additional) Bonus may also be declared under the policy in the year when the policy results into a claim either by death or maturity, provided the policy has run for certain minimum term.

2. **Optional Benefit:**

LIC's Accidental Death and Disability Benefit Rider: LIC's Accidental Death and Disability Benefit Rider is available as an optional rider by payment of additional premium. In case of accidental death, the Accident Benefit Sum Assured will be payable as lumpsum along with the death benefit under the basic plan. In case of accidental permanent disability arising due to accident (within 180 days from the date of accident), an amount equal to the Accident Benefit Sum Assured will be paid in equal monthly installments spread over 10 years and future premiums for Accident Benefit Sum Assured as well as premiums for the portion of Basic Sum Assured which is equal to Accident Benefit Sum Assured under the policy, shall be waived.

3. **Eligibility Conditions and Other Restrictions :**

For Basic plan

- | | |
|---|-------------------------------|
| a) Minimum Basic Sum Assured | : Rs. 100,000 |
| b) Maximum Basic Sum Assured | : No Limit |
| (The Basic Sum Assured shall be in multiples of Rs. 5000/-) | |
| c) Minimum Age at entry | : 8 years (completed) |
| d) Maximum Age at entry | : 55 years (nearest birthday) |
| e) Maximum Maturity Age | : 75 years (nearest birthday) |
| f) Minimum Term | : 12 years |
| g) Maximum Term | : 35 years |

For LIC's Accidental Death and Disability Benefit Rider

- a) Minimum Accident Benefit Sum Assured : Rs. 100,000
b) Maximum Accident Benefit Sum Assured :

An amount equal to the Sum Assured under the Basic Plan subject to the maximum of Rs. 100 lakh Accident Benefit Sum Assured taking all existing policies of the Life Assured under individual as well as group schemes including policies with in-built accident benefit taken with Life Insurance Corporation of India and the Accident Benefit Sum Assured under the new proposal into consideration.

(The Accident Benefit Sum Assured shall be in multiples of Rs. 5000/-)

- c) Minimum Age at entry : 18 years (completed)
d) Maximum Age at entry : The cover can be opted for at any policy anniversary during the policy term but before the policy anniversary on which the age nearer birthday of the Life Assured is 70 years.
e) Maximum cover ceasing age : 70 years (nearest birthday)

4. *Payment of Premiums:*

Premiums can be paid regularly at yearly, half-yearly, quarterly or monthly mode (through ECS only) or through salary deductions over the term of policy.

However, a grace period of one month but not less than 30 days will be allowed for payment of yearly or half-yearly or quarterly premiums and 15 days for monthly premiums.

5. *Sample Premium Rates:*

Following are some of the sample tabular premium rates (exclusive of service tax) per Rs. 1000/- Basic Sum Assured:

AGE/TERM	15	25	35
20	71.20	40.10	28.10
30	71.50	40.75	29.40
40	72.85	43.25	33.15
50	77.10	49.40	

6. *Mode and High S.A. Rebates:*

Mode Rebate:

- Yearly mode - 2% of Tabular Premium
Half-yearly mode - 1% of Tabular premium
Quarterly & Salary deduction - NIL

High Sum Assured Rebate:

<u>Basic Sum Assured (B.S.A)</u>	<u>Rebate (Rs.)</u>
1, 00,000 to 1, 95,000	- Nil
2, 00,000 to 4, 95,000	- 2.00 %o B.S.A.
5, 00,000 and above	- 3.00%o B.S.A.

7. *Revival:*

If premiums are not paid within the grace period then the policy will lapse. A lapsed policy can be revive within a period of 2 consecutive years from the date of first unpaid premium and before the date of maturity, as the case may be by paying all the arrears of premium together with interest (compounding half-yearly) at such rate as fixed by the Corporation at the time of the payment, subject to submission of satisfactory evidence of continued insurability.

Revival of rider(s), if opted for, will be considered along with revival of the Basic Policy, and not in isolation.

8. Paid-up Value:

If at least three full years' premiums have been paid and any subsequent premiums be not duly paid, this policy shall not be wholly void, but shall continue as a paid-up policy. The Basic Sum Assured under the policy shall be reduced to such a sum, called Paid-up Sum Assured and shall bear the same ratio to the Basic Sum Assured as the premiums paid bears to the total number of premiums i.e. Basic Sum Assured *(no. of premiums paid / no. of premiums payable).

This Paid-Up Sum Assured along with vested simple reversionary bonuses, if any, is payable on the expiry of policy term or in case of prior death. The reversionary bonuses already accrued to the policy as on the date of paid-up will remain attached to the policy. A paid-up policy will not accrue any further bonuses.

Rider(s) do not acquire any paid-up value and the rider benefits cease to apply, if policy is in lapsed condition.

9. Surrender Value:

The policy can surrendered for cash provided atleast three full years' premiums have been paid. The Guaranteed Surrender value shall be percentage of total premiums paid (net of service tax) excluding extra premiums and premiums for riders, if opted for. This percentage will depend on the policy term and policy year in which the policy is surrendered and specified as below:

Guaranteed Surrender Value factors applicable to total premiums paid (in percentage)																									
Policy Year	Policy Term-->																								
	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	
4	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
5	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
6	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
7	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	
8	57.50	56.00	55.00	54.29	53.75	53.33	53.00	52.73	52.50	52.31	52.14	52.00	51.88	51.76	51.67	51.58	51.50	51.43	51.36	51.30	51.25	51.20	51.15	51.11	
9	65.00	62.00	60.00	58.57	57.50	56.67	56.00	55.45	55.00	54.62	54.29	54.00	53.75	53.53	53.33	53.16	53.00	52.86	52.73	52.61	52.50	52.40	52.31	52.22	
10	72.50	68.00	65.00	62.86	61.25	60.00	59.00	58.18	57.50	56.92	56.43	56.00	55.63	55.29	55.00	54.74	54.50	54.29	54.09	53.91	53.75	53.60	53.46	53.33	
11	80.00	74.00	70.00	67.14	65.00	63.33	62.00	60.91	60.00	59.23	58.57	58.00	57.50	57.06	56.67	56.32	56.00	55.71	55.45	55.22	55.00	54.80	54.62	54.44	
12	80.00	80.00	75.00	71.43	68.75	66.67	65.00	63.64	62.50	61.54	60.71	60.00	59.38	58.82	58.33	57.89	57.50	57.14	56.82	56.52	56.25	56.00	55.77	55.56	
13		80.00	80.00	75.71	72.50	70.00	68.00	66.36	65.00	63.85	62.86	62.00	61.25	60.59	60.00	59.47	59.00	58.57	58.18	57.83	57.50	57.20	56.92	56.67	
14			80.00	76.25	73.33	71.00	69.09	67.50	66.15	65.00	64.00	63.13	62.35	61.67	61.05	60.50	60.00	59.55	59.13	58.75	58.40	58.08	57.78	57.50	
15				80.00	76.67	74.00	71.82	70.00	68.46	67.14	66.00	65.00	64.12	63.33	62.63	62.00	61.43	60.91	60.43	60.00	59.60	59.23	58.89	58.59	
16					80.00	80.00	77.00	74.55	72.50	70.77	69.29	68.00	66.88	65.88	65.00	64.21	63.50	62.86	62.27	61.74	61.25	60.80	60.38	60.00	
17						80.00	80.00	77.27	75.00	73.08	71.43	70.00	68.75	67.65	66.67	65.79	65.00	64.29	63.64	63.04	62.50	62.00	61.54	61.11	
18							80.00	80.00	77.50	75.38	73.57	72.00	70.63	69.41	68.33	67.37	66.50	65.71	65.00	64.35	63.75	63.20	62.69	62.22	
19								80.00	80.00	77.69	75.71	74.00	72.50	71.18	70.00	68.95	68.00	67.14	66.36	65.65	65.00	64.40	63.85	63.33	
20									80.00	80.00	77.86	76.00	74.38	72.94	71.67	70.53	69.50	68.57	67.73	66.96	66.25	65.60	65.00	64.44	
21										80.00	80.00	78.00	76.25	74.71	73.33	72.11	71.00	70.00	69.09	68.26	67.50	66.80	66.15	65.56	
22											80.00	80.00	78.13	76.47	75.00	73.68	72.50	71.43	70.45	69.57	68.75	68.00	67.31	66.67	
23												80.00	80.00	78.24	76.67	75.26	74.00	72.86	71.82	70.87	70.00	69.20	68.46	67.78	
24													80.00	80.00	78.33	76.84	75.50	74.29	73.18	72.17	71.25	70.40	69.62	68.89	
25														80.00	80.00	78.42	77.00	75.71	74.55	73.48	72.50	71.60	70.77	70.00	
26															80.00	80.00	78.50	77.14	75.91	74.78	73.75	72.80	71.92	71.11	
27																80.00	80.00	78.57	77.27	76.09	75.00	74.00	73.08	72.22	
28																	80.00	80.00	78.64	77.39	76.25	75.20	74.23	73.33	
29																		80.00	80.00	78.70	77.50	76.40	75.38	74.44	
30																			80.00	80.00	78.75	77.60	76.54	75.56	
31																				80.00	80.00	78.80	77.69	76.67	
32																					80.00	80.00	78.85	77.78	
33																						80.00	80.00	78.89	
34																							80.00	80.00	
35																								80.00	

In addition, the surrender value of any vested simple reversionary bonuses, if any, shall also be payable, which is equal to vested bonuses multiplied by the surrender value factor applicable to vested bonuses. These factors will depend on the policy term and policy year in which the policy is surrendered and specified as below:

Surrender Value factors applicable to vested bonuses (in percentage)																								
Policy Term-->																								
Policy Year	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20	12.06	10.61	6.01	6.01	3.06	2.00
4	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20	12.06	10.61	6.01	6.01	3.06
5	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20	12.06	10.61	6.01	6.01
6	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20	12.06	10.61	6.01
7	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20	12.06	10.61
8	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20	12.06
9	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13	13.20
10	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94	14.13
11	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13	14.94
12	35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28	15.13
13		35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42	15.28
14			35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55	15.42
15				35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72	15.55
16					35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93	15.72
17						35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22	15.93
18							35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58	16.22
19								35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03	16.58
20									35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58	17.03
21										35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58	17.58
22											35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66	17.58
23												35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85	17.66
24													35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16	17.85
25														35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60	18.16
26															35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18	18.60
27																35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93	19.18
28																	35.00	30.00	27.06	25.05	23.38	21.99	20.85	19.93
29																		35.00	30.00	27.06	25.05	23.38	21.99	20.85
30																			35.00	30.00	27.06	25.05	23.38	21.99
31																				35.00	30.00	27.06	25.05	23.38
32																					35.00	30.00	27.06	25.05
33																						35.00	30.00	27.06
34																							35.00	30.00
35																								35.00

Corporation may, however, pay Special Surrender value, if it is more favorable to the Policyholder.

10. Policy Loan:

Loan can be availed under the policy provided the policy has acquired a surrender value and subject to the terms and conditions as the company may specify from time to time.

11. Taxes:

Taxes, if any, shall be as per the Tax laws and the rate of tax shall be as applicable from time to time.

The amount of tax as per the prevailing rates shall be payable by the Policyholder on premiums including extra premiums, if any. The amount of tax paid shall not be considered for the calculation of benefits payable under the plan.

12. Cooling-off period:

If the Policyholder is not satisfied with the "Terms and Conditions" of the policy may be returned to us within 15 days from the date of receipt of the policy bond stating the reasons of objections. On receipt of the same the Corporation shall cancel the policy and return the amount of premium deposited after deducting the proportionate risk premium (for basic plan and rider(s), if any) for the period on cover, expenses incurred on medical examination, special reports, if any and stamp duty.

13. Exclusion:

Suicide: - This policy shall be void

- i. If the Life Assured (whether sane or insane) commits suicide at any time within 12 months from the date of commencement of risk and the Corporation will not entertain any claim under this policy except to the extent of 80% of the premiums paid excluding any taxes, extra premium and rider premiums, if any, provided the policy is inforce.
- ii. If the Life Assured (whether sane or insane) commits suicide within 12 months from date of revival, an amount which is higher of 80% of the premiums paid till the date of death (excluding any taxes, extra premium and rider premiums, if any,) or the surrender value, provided the policy is inforce, shall be payable. The Corporation will not entertain any other claim under this policy.

BENEFIT ILLUSTRATION:

Statutory warning:

"Some benefits are guaranteed and some benefits are variable with returns based on the future performance of your Insurer carrying on life insurance business. If your policy offers guaranteed returns then these will be clearly marked "guaranteed" in the illustration table on this page. If your policy offers variable returns then the illustrations on this page will show two different rates of assumed future investment returns. These assumed rates of return are not guaranteed and they are not the upper or lower limits of what you might get back, as the value of your policy is dependent on a number of factors including future investment performance."

LIC's New Endowment Plan

		Benefit Illustration									
Particulars											
Age at entry	30	UIN: 512N277V01									
Policy term	35										
Mode of premium payment	Yearly										
Sum Assured	100000										
Amount of annualised premium *	2881	Variable scenario 1: Gross Investment return @4% p.a.									
		Variable scenario 2: Gross Investment return @8% p.a.									
End of year	Total premiums paid till end of year	Amount payable on Death during the Year **/ Maturity					Amount payable on Surrender during the year***				
		Guaranteed	Variable		Total		Guaranteed Surrender value	Surrender value of bonus		Total Guaranteed Surrender Value	
			Scenario 1	Scenario 2	Scenario 1	Scenario 2		Scenario 1	Scenario 2	Scenario 1	Scenario 2
1	2881	100000	1150	3000	101150	103000	0	0	0	0	0
2	5762	100000	2300	6000	102300	106000	0	0	0	0	0
3	8643	100000	3450	9000	103450	109000	2593	69	180	2662	2773
4	11524	100000	4600	12000	104600	112000	5762	141	367	5903	6129
5	14405	100000	5750	15000	105750	115000	7203	346	902	7548	8104
6	17286	100000	6900	18000	106900	118000	8643	415	1082	9058	9725
7	20167	100000	8050	21000	108050	121000	10084	854	2228	10938	12312
8	23048	100000	9200	24000	109200	124000	11780	1110	2894	12889	14674
9	25929	100000	10350	27000	110350	127000	13540	1366	3564	14906	17104
10	28810	100000	11500	30000	111500	130000	15364	1625	4239	16989	19603
11	31691	100000	12650	33000	112650	133000	17253	1890	4930	19142	22183
12	34572	100000	13800	36000	113800	136000	19208	2088	5447	21296	24655
13	37453	100000	14950	39000	114950	139000	21225	2284	5959	23509	27184
14	40334	100000	16100	42000	116100	142000	23305	2483	6476	25788	29781
15	43215	100000	17250	45500	117250	145500	25449	2682	6998	28132	32447
16	46096	100000	18400	48500	118400	148500	27658	2892	7546	30550	35203
17	48977	100000	19550	52000	119550	152000	29930	3114	8124	33044	38054
18	51858	100000	20700	55500	120700	155500	32266	3358	8759	35624	41025
19	54739	100000	21850	59000	121850	159000	34666	3623	9451	38289	44117
20	57620	100000	23000	62500	123000	162500	37130	3917	10218	41047	47348
21	60501	100000	24150	66000	124150	166000	39664	4246	11075	43910	50740
22	63382	100000	25300	70500	125300	170500	42257	4448	11603	46705	53860
23	66263	100000	26450	75000	126450	175000	44913	4671	12185	49584	57098
24	69144	100000	27600	79500	127600	179500	47633	4927	12852	52560	60485
25	72025	100000	28750	85000	128750	185000	50418	5221	13620	55639	64038
26	74906	100000	29900	90500	129900	190500	53266	5561	14508	58827	67774
27	77787	100000	31050	96000	131050	196000	56178	5955	15536	62133	71714
28	80668	100000	32200	101500	132200	201500	59154	6417	16741	65571	75895
29	83549	100000	33350	107000	133350	207000	62194	6953	18140	69147	80333
30	86430	100000	34500	114000	134500	214000	65307	7587	19791	72893	85098
31	89311	100000	35650	121000	135650	221000	68475	8335	21743	76810	90218
32	92192	100000	36800	128000	136800	228000	71707	9218	24048	80925	95755
33	95073	100000	37950	135000	137950	235000	75003	10269	26789	85272	101792
34	97954	100000	39100	142000	139100	242000	78363	11730	30600	90093	108963
35	100835	100000	40250	149000	140250	249000	80668	14088	36750	94756	117418

* The annual premium shown above is exclusive of Service Tax, extra premium and rider(s) premiums, if any.

** In any case the total death benefit at any time shall not be less than 105% of the total premiums paid (excluding service tax, extra premium and rider premiums, if any)

*** Special surrender value may however be payable, if it is more favourable to the Policyholder.

Notes:

- i) This illustration is applicable to a standard (from medical, life style and occupation point of view) life.
- ii) The non-guaranteed benefits (1) and (2) in above illustration are calculated so that they are consistent with the Projected Investment Rate of Return assumption of 4% p.a. (Scenario 1) and 8% p.a. (Scenario 2) respectively. In other words, in preparing this benefit illustration, it is assumed that the Projected

Investment Rate of Return that LICl will be able to earn throughout the term of the policy will be 4% p.a. or 8% p.a., as the case may be. The Projected Investment Rate of Return is not guaranteed.

iii) *The main objective of the illustration is that the client is able to appreciate the features of the product and the flow of benefits in different circumstances with some level of quantification.*

SECTION 45 OF THE INSURANCE ACT, 1938:

The provision of Section 45 of the Insurance Act, 1938 shall be applicable as amended from time to time. The simplified version of this provision is as under:

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 are as follows:

1. No Policy of Life Insurance shall be called in question on any ground whatsoever after expiry of 3 yrs from

- the date of issuance of policy or
- the date of commencement of risk or
- the date of revival of policy or
- the date of rider to the policy

whichever is later.

2. On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from

- the date of issuance of policy or
- the date of commencement of risk or
- the date of revival of policy or
- the date of rider to the policy

whichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.

3. Fraud means any of the following acts committed by insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:

- The suggestion, as a fact of that which is not true and which the insured does not believe to be true;
- The active concealment of a fact by the insured having knowledge or belief of the fact;
- Any other act fitted to deceive; and
- Any such act or omission as the law specifically declares to be fraudulent.

4. Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.

5. No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.

6. Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the

proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.

7. In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.
8. Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.
9. The insurer can call for proof of age at any time if he is entitled to do so and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

[Disclaimer: This is not a comprehensive list of Section 45 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 and only a simplified version prepared for general information. Policy Holders are advised to refer to the Insurance Laws (Amendment) Act, 2015, for complete and accurate details.]

PROHIBITION OF REBATES SECTION 41 OF THE INSURANCE ACT, 1938 AS AMENDED BY INSURANCE LAWS (AMENDMENT) ACT, 2015:

- 1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.
- 2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

Note: “Conditions apply” for which please refer to the Policy document or contact our nearest Branch Office.

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS / FRAUDULENT OFFERS

IRDAI clarifies to public that

- **IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums.**
- **IRDAI does not announce any bonus.**

Public receiving such phone calls are requested to lodge a police complaint along with details of phone call, number.

“Insurance is the subject matter of solicitation”

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Mumbai - 400021.
Website: www.licindia.in
Registration Number: 512